

Fact sheet

Privately funding residential or nursing care – Advice from Southampton City Council

This guidance is intended to provide some advice to you if you are considering a move into a residential or nursing home which will be funded privately.

If you require any further information, please contact us at: Adult Social Care Connect
Southampton
Tel: 023 8083 3003

Explanation of terms

- Capital - this is money in bank accounts, building societies, stocks, shares and premium bonds. If you have a second home, holiday home or additional land, this will be taken into account as capital too
- Capital threshold – this is the capital limit laid down by central government above which a person has to fund their own care (for 2023/24 this is £23,250)
- Self-funder – you will fund your own care in a residential or nursing home because you have over £23,250 capital
- Contract – a legal document between a residential or nursing home and the client
- Assessed client contribution – the amount you need to pay us towards residential or nursing care if we fund your care
- Third party top up – the difference between what a residential or nursing home charge and what a local authority usually fund

Making the decision

A move into a residential or nursing home is often suggested because of a crisis, maybe illness or a fall, but it is not always the only solution.

Before you make a decision consider talking to your family, friends, doctor, care manager or social worker. It is important to obtain as much information as possible so that the decision is right for you.

Respite care /Short Stay

A move into a residential or nursing home does not need to be permanent. You might want to arrange a short stay to enable you to recover from an illness or to test out whether remaining in residential care permanently is the right choice for you.

This can mean that when you do move on a more permanent basis this is planned and you can make an informed and positive choice.

Residential or nursing home

The first step when choosing a home is to clarify whether your care needs are for residential or a nursing level of care.

Your GP, district nurse or hospital staff can arrange to complete a nursing care assessment which will tell you what type of home is more appropriate for you.

Sources of information

You can obtain a free copy of “The Guide to Residential Care” booklet which lists all residential and nursing homes in Southampton, Portsmouth and Hampshire.

This can be obtained by telephoning our Adult Social Care Connect Team on 023 8083 3003

The Care Quality Commission carry out annual inspections on all care homes. You can view their most recent inspection reports on line at <http://www.cqc.org.uk/> or contact them on 03000 616 161 to obtain a paper copy of a report.

Many voluntary organisations, such as the Citizens Advice Bureau, Alzheimer’s Society, Age UK, Mencap, SPECTRUM – Centre for Independent Living, provide advice and information about choosing a care home.

Social workers and care managers cannot give personal recommendations for any individual care home as this is a decision which is very personal to you.

You should arrange to visit a number of care homes as individual preferences vary as much as care homes do.

You may consider changing the times of the day that you visit and arrive without calling first so that you get a feel about how the routine of the home will suit you (although it is best to avoid mornings as this is when the homes are at their busiest).

You might want to consider what questions you want to ask, for example:-

- What food is provided?
- What activities are arranged for residents?
- Will you need to share a room?

Paying for a residential or nursing home

If you have more than £23,250 in capital, other than property, you are known as a 'self-funder' and you will be required to fund your residential or nursing home placement privately.

As a 'self-funder' you will negotiate costs and sign a contract directly with the care home. We will not be responsible for your funding. You are strongly advised to take independent financial advice before you do this.

You should consider asking the following questions:-

- How much are the weekly fees?
- What support is included?
- Is the weekly rate negotiable?
- Does the rate increase each year?
- If you are going into a registered nursing home, will the weekly cost exclude the registered nursing care component (RNCC) from the National Health Service which is currently set at £219.71 per week (2023/24).

You should also work out how long your funds will last before you need to request funding from the Local Authority. Once your capital falls below £23,250 you may be eligible for a contribution towards the costs from the local authority.

For example:

If you have £29,850 in capital and your weekly care home fees are going to be £500 per week, you would have £6,600 excess above the £23,250 capital threshold.

I.e. £29,850 (your capital) less £23,250 (capital threshold) = £6,600 (capital excess).

If you have a regular weekly income of £200 per week, you would need to calculate how much extra you need to find for the care home fees at the weekly rate of £500. In this example, it would be £300 extra per week from the £6,600 (capital excess).

I.e. £500 (weekly cost of home) less £200 (regular weekly income) = £300

You would then need to work out how many weeks your capital excess would fund. In this example, it works out to be 22 weeks.

I.e. £6,600 (capital above threshold) divided by £300 (extra weekly amount required to pay the care home fees) = 22 weeks

	Capital	
Your total capital		£29,850.00
Less capital threshold (amount set by central government each year)		£23,250.00
Equals capital excess above capital threshold		£ 6,600.00
Divided by extra weekly amount required		£ 300.00
Equals the number of weeks your capital will fund your care home		22 weeks

What happens when your capital drops to below £23,250?

Before your capital drops below £23,250 (which is about four weeks of self-funding), you will need to request a community care assessment. To do this, you should contact the relevant local authority that supports the area in which you live. If you live in a residential home which falls within the Southampton City Council boundary you should telephone the Adult Social Care Connect team on 023 8083 3003.

The relevant local authority will then carry out a community care assessment to determine whether you are eligible to receive a service. If you do not meet the council's eligibility criteria, then you will not be entitled to financial support to pay for your care home fees.

If you need funding from us i.e. your capital falls below £23,250, you must not assume that we will automatically meet the costs that you have contracted with the home if it is above our contract rate. You may be asked to move to different accommodation, if after an assessment of need, your current care can be met in another environment.

When negotiating fees with a care home that you are paying for privately, you should consider that we normally fund at the rates the council expects to pay which in Southampton for 2023/24 are:-

Residential Care Homes

Social care rate £497.10

Social care rate for people with dementia £587.80

Nursing Care Homes

Social care rate including people with dementia £663.10

Financial Assessment

Once your community care assessment is completed, if you are eligible for services, your social worker or care manager will ask the Finance Assessment and Benefits Advice (FAB) team to visit you to complete a financial assessment. They will calculate the weekly amount that you will pay us towards the cost of your placement. This is known as your assessed client contribution.

What date will we begin funding from?

The FAB officer will calculate the exact date your funds fell below £23,250.

Funding can only be backdated to the date you contacted the Adult Social Care Connect Team.

If you contacted us today and funds fell previously, you will only be funded from today's date. If, however, you came to us today, in anticipation of funds falling in the near future, you will be funded from the date the funds actually fall.

You will have to pay your assessed client contribution to us from the day we agree to fund your care.

Top up fees

If you choose to live in a care home which charges more than the rate the council normally expects to pay and you do not wish to move home, there will be a shortfall between the amount that we can pay and the amount that the care home charge.

Under these circumstances someone other than you as the resident, e.g. a relative or friend can choose to pay the shortfall. This is known as a third party top-up fee. The government says that the top up fee can only be paid by a third party.

This is in addition to the amount that the FAB team have assessed you as needing to pay as a client contribution.

For example, if a care home charges £650 and the local authority will only pay their contract rate of £587.80 the third party top up required will be £62.20.

For example:- Contract in place	£650.00
for	
Less our contract rate	£587.80
Equals the third party top up needed	£62.20

If there is no third party able to pay your top up element we will not take responsibility to pay this after your capital has fallen below £23,250 and you may be asked to move to different accommodation. Consideration may be given not to move you, if after an assessment of need, your current care needs can only be met by your current home.

Please be aware that you will be responsible for paying the top up element directly to the residential or nursing home. In addition, the assessed client contribution amount will need to be paid direct to us.